



# House of Representatives

General Assembly

**File No. 134**

February Session, 2016

Substitute House Bill No. 5235

*House of Representatives, March 23, 2016*

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING SURETY BAIL BOND AGENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (k) of section 38a-660 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2016*):

4 (k) (1) (A) To further the enforcement of this section and sections  
5 38a-660b to 38a-660m, inclusive, as amended by this act, and to  
6 determine the eligibility of any licensee, the commissioner may, as  
7 often as the commissioner deems necessary, examine the books and  
8 records of any such licensee. Each person licensed as a surety bail bond  
9 agent in this state shall, on or before January thirty-first, annually, pay  
10 to the commissioner a fee of four hundred fifty dollars to cover the cost  
11 of examinations under this subsection.

12 (B) If such person fails to pay such fee on or before January thirty-  
13 first, annually, the license of such person shall automatically expire on  
14 the February first immediately following, provided the commissioner

15 shall immediately reinstate any such license if the commissioner  
 16 receives such fee not later than ten days after such expiration.

17 (C) The commissioner shall notify, not later than December  
 18 fifteenth, annually, each person licensed as a surety bail bond agent in  
 19 this state about such automatic expiration provision.

20 (2) The fees received by the commissioner pursuant to subdivision  
 21 (1) of this subsection shall be dedicated to conducting the examinations  
 22 under said subdivision (1) and shall be deposited in the account  
 23 established under subdivision (3) of this subsection.

24 (3) There is established an account to be known as the "surety bail  
 25 bond agent examination account", which shall be a separate,  
 26 nonlapsing account within the Insurance Fund established under  
 27 section 38a-52a. The account shall contain any moneys required by law  
 28 to be deposited in the account and any such moneys remaining in the  
 29 account at the [close of the fiscal] end of each calendar year shall be  
 30 transferred to the General Fund.

31 Sec. 2. Section 38a-660m of the general statutes is repealed and the  
 32 following is substituted in lieu thereof (*Effective October 1, 2016*):

33 The commissioner may adopt regulations, in accordance with the  
 34 provisions of chapter 54, to (1) implement the provisions of section  
 35 38a-660, as amended by this act, and sections 38a-660b to 38a-660k,  
 36 inclusive, and (2) establish continuing education requirements for  
 37 persons licensed as surety bail bond agents in this state.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2016</i>	38a-660(k)
Sec. 2	<i>October 1, 2016</i>	38a-660m

**INS**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill makes changes that prevent licensees from delaying payment of the annual licensing fee and allows funds in the surety bail bond agent examination account to remain in the account until the end of each calendar year. The bill has no fiscal impact as it does not change the annual licensing fee collected but rather prevents a delay in such payments. Currently licensees are able to delay renewal payment by several months.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

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**OLR Bill Analysis****sHB 5235*****AN ACT CONCERNING SURETY BAIL BOND AGENTS.*****SUMMARY:**

This bill makes several changes to the statutes relating to surety bail bond agents. By law, a surety bail bond agent sells bail bonds in criminal cases through a contract with an insurer. The insurance commissioner licenses and regulates the agents.

Under the bill, a surety bail bond agent's license expires on February 1 if the agent fails to pay the required \$450 examination fee annually by January 31. But if the agent pays the fee on or by February 10, the commissioner must reinstate the agent's license immediately. The bill requires the commissioner to notify each agent annually by December 15 of the expiration provision.

By law, examination fees are deposited into the surety bail bond agent examination account, which the commissioner uses to pay the costs of examining agents' books and records. The bill changes when money remaining in the account is transferred to the General Fund from the end of the fiscal year to the end of the calendar year. Thus, it allows her to access the money for a longer period of time than under current law.

Lastly, the bill allows the commissioner to adopt regulations establishing continuing education requirements for licensed surety bail bond agents.

EFFECTIVE DATE: October 1, 2016

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea     18     Nay   0     (03/11/2016)